

Franciscan Skemp

Mayo Health System

*Governor's Healthcare Listening Session
September 23, 2002
Cartwright Center - University of Wisconsin - La Crosse*

Testimony from Franciscan Skemp Healthcare/Mayo Health System

We would like to begin by thanking you for the opportunity to submit written testimony for today's listening session. On behalf of the nearly 3000 employees of Franciscan Skemp Healthcare, we appreciate the opportunity to express our concerns about the issues facing the healthcare industry today, as well as provide you with some information on what we are doing as an organization to improve the quality of life for our patients in Western Wisconsin.

As is the case with all healthcare providers in the State of Wisconsin, Franciscan Skemp continues to struggle with the effects of the current reimbursement formulas for Medicare and Medicaid. The current formula for Medicare is especially unfair for the State of Wisconsin as today we are penalized for having provided cost-effective care when the formulas were first developed in the 1960's. With each passing year, the gap between the cost of providing healthcare services and the amount we receive in reimbursement continues to widen. Fortunately, in our community both medical centers have made a commitment to the people we serve in that we will continue to accept Medicare patients despite these low reimbursements. To do otherwise would be a disservice to the communities we serve and would not be in keeping with our healing mission.

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This reimbursement issue has been exacerbated in recent months as the nationwide shortage of skilled healthcare workers has found its way to the State of Wisconsin and the cost of pharmaceuticals has increased dramatically. Attracting and retaining quality healthcare workers is not just a strategic priority for Franciscan Skemp, it is our lifeline and the key to our future. It is also the key to the quality of life of the citizens of Wisconsin, as the percentage of residents 65 and older (those who need access to quality healthcare the most) is now among the fastest growing segments of the population.

We are pleased to see that these reimbursement issues have gotten the attention of our elected officials on the state and national level, and that possible remedies to this issue are now finding their way to daylight. The need to resolve this issue is not only critical for the healthcare industry in Wisconsin, but also for the business community as well, who is forced to make up the difference caused by low government reimbursements.

Within the context of this reimbursement issue it is fair to ask Wisconsin healthcare providers, "What are you doing to provide high quality, cost-effective care for citizens of Wisconsin?" At Franciscan Skemp we are proud of several initiatives we have undertaken that demonstrate our commitment to providing quality healthcare with value.

At the center of our efforts to provide efficient, cost-effective healthcare is the idea of achieving an appropriate level of care for each patient. Included in achieving the appropriate level of care are the development of "care paths" and managing the length of stay. While the greatest disservice we can impose upon a patient is discharging them

before it is appropriate to send them home, it is a disservice to everyone (patients, staff and payors) to keep a patient in the hospital when it is not medically necessary. Through various educational initiatives, Franciscan Skemp was able to reduce its "avoidable" inpatient days by nearly 80 percent between June 2001 and June 2002. We are also developing standard care plans for different diseases and conditions of our patients. By having formal care plans in place we can be more efficient in the delivery of care as we focus on the patient's individual needs.

Disease Management is also a key component in the efforts by Franciscan Skemp to provide our patients with quality, cost-effective care. Through our Disease Management program we are implementing evidence-based guidelines in the sixteen primary care areas in the outpatient setting within our healthcare system. We focus on Disease Management because we see it providing benefits such as:

- Reduced variations across physician practices, thus generating improved efficiency and effectiveness of medical practice,
- The effective management of chronic diseases,
- Patients who will be better educated on disease prevention, and
- Early and regular screening for age- and gender-specific cancers.

Since the implementation of the Disease Management program at Franciscan Skemp we have implemented guidelines in the following areas: breast cancer screening; colon cancer screening; adult immunization screening and standing orders; tobacco use prevention and cessation; diagnosis of chest pain and management of patients with

diabetes. Earlier this year, Franciscan Skemp was cited in a national healthcare journal as having one of the nation's highest success rates in lowering a key indicator of diabetes complications. The next major guideline we are hoping to publish will cover asthma.

A third area of emphasis for improving utilization at Franciscan Skemp is patient safety. While initially focused on medication errors, our efforts have broadened to include designing an organizational culture of safety, with the main emphasis being on promoting a non-punitive environment for incident reporting. This includes the initiation of patient safety leadership rounds, education of providers on how to disclose an event, encouragement of the reporting of events. In all candor, we actually want to see an increase in the number of event reports, so that we may learn how to prevent them in the future. Among the tactics implemented under improving patient safety we have:

- Started the use of oral syringes for all liquid medications to reduce the chance of administering a medication by the wrong route,
- Removed concentrated potassium from all nursing units,
- Initiated an electronically generated medication administration record to reduce the chance of transcription errors.

We are currently working on standardized protocols for sliding scale insulin administration and oral potassium replacement administration.

Although our remarks have focused on our healthcare network as an organization and what we medical professionals are doing to improve the lives of the citizens of Wisconsin, we cannot leave out the economic and social realities currently being experienced by the less fortunate of our State. With the softening of the economy, many more residents are jobless or limited to low-wage jobs with few, if any, benefits. In the greater La Crosse area we have not forgotten the healthcare needs of the unemployed or working poor, because through the St. Clare Health Missions in La Crosse and Sparta (free community healthcare clinics) these populations have access to quality healthcare in a timely manner and a respectful environment. Both La Crosse-area medical centers, their respective medical and allied health staff members, plus a corps of community volunteers, support the work of the Mission through their donation of professional skills and financial resources. Since its inception in 1993, more than 8700 patients have been served by the Mission, with both medical centers contributing nearly \$1 million in non-reimbursed specialty and follow-up care on an annual basis. In the greater La Crosse area we have developed a successful model of care for those who have few, if any options, when it comes to their health. We would be more than pleased to share information on the St. Clare Health Mission to any community within our great State of Wisconsin.

In summary, Franciscans Skemp Healthcare maintains an open door when it comes to a dialogue with state businesses, governments, insurers and other institutions in an effort to address the difficult state of affairs that healthcare is experiencing today. We are eager to discuss what can be done regarding low government reimbursements and the

subsequent necessity to shift costs to the private sector. We are also eager to demonstrate the steps we are taking to make healthcare more efficient for all of those who come to us for care. For all of Wisconsin has a vested interest in a healthcare system that delivers quality at a reasonable cost. Thank you.

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President & CEO*

*Ron Paczkowski
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